

STRONGER by DEGREES

Postsecondary 2012-14 Statewide Planning Priorities



Presentation to:
The Capital Planning Advisory Board
By: Robert L. King, Sherron Jackson, Allen Lind
July 29, 2011



Vision:

All Kentuckians will be prepared to succeed in a global economy

Mission:

To deliver a world-class education to students, create and apply new knowledge, and grow the economy of the Commonwealth



Who We Are:



- ❖ 8 four-year public postsecondary institutions
- ❖ 16 community and technical colleges
- ❖ 20 independent colleges and universities
- ❖ 120 adult education providers
- ❖ 241,590 college and university students
- ❖ 500,000+ postsecondary alumni
- ❖ 300,000+ GED graduates
- ❖ 30,000+ faculty and staff





Major change in Postsecondary Institutions Since 1999

95% of the projects identified in the new/expanded space category are classroom, program support, and instructional class laboratory space.

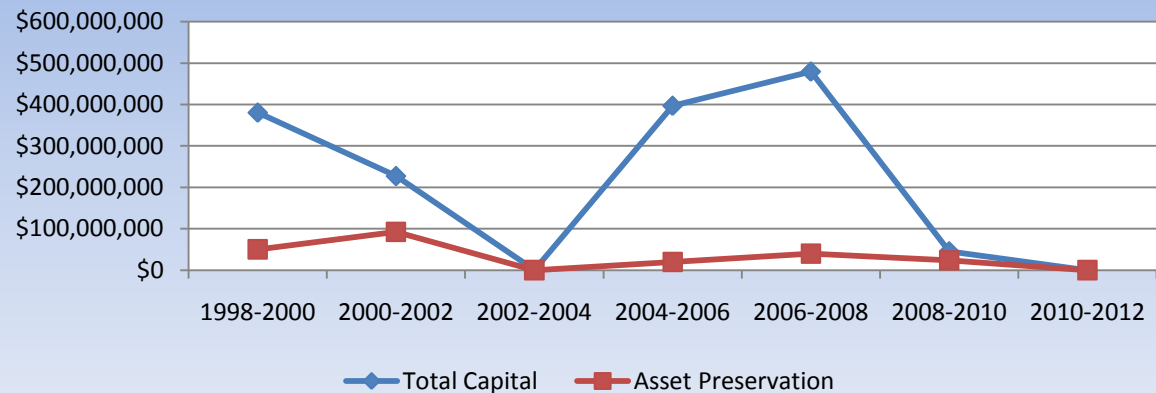
Growth	1999	2010	Increase
KCTCS	52,800	106,664	102%
Public Universities (UG)	84,600	99,980	18.2%
Public Universities (Graduate)	20,400	24,091	18.1%
Distance Learning Credit Hours (created in 1999)	NA	856,654	NA
Extramural Research (UK/UofL)	\$118 M	\$489 M	414.4%

- New space supports current and future enrollment growth
- Addresses the unique mission of the institution
- Addresses a critical HB 1 Goal related to the research mission of UK and UofL

Asset Preservation, Renovation and New & Expanded Space

Since 1998, the ratio of state spending for new construction versus asset preservation and renovation has been \$25 to \$1

Figure 1 Total State Capital Investment to State Investment for Renovation and Asset Preservation 1998-00 to 2010-12



- Total capital assets owned by public institutions
 - ❖ 2,856 buildings with 47 million gross square feet
- Capital construction over past 12 years
 - ❖ \$1.6 billion in new and expanded facilities
 - ❖ \$65 million in state-funded asset preservation
 - ❖ \$199 million in institution-funded asset preservation
- Funding over past 12 years was not balanced and not predictable in terms of timing and amount



New Balanced Capital Strategy



2012-14 and Future Strategy

- Multi-biennial funding approach
- Balanced investment as recommended by VFA study
- More flexibility for institutions to implement capital projects
- Allows campuses to better plan for construction
- Stronger protection of state owned assets
- Data driven process for distributing funds
- The process is transparent and supports accountability



VFA Report v. Inst. Requests



VFA Recommended Investment Strategy

❖ Capital Renewal/Replacement	44.3%
❖ Adequacy (renovation)	10.8%
❖ New/Expanded Space	44.9%

2012-14 Institution Capital Plan Priorities

❖ Capital Renewal/Replacement	11.2%
❖ Adequacy (renovation)	24.6%
❖ New/Expanded Space	64.2%

- The VFA study recommends more substantial funding for asset preservation/renovation than for new/expanded space
- Structure a plan that implements a multi-biennia strategy that mirrors as close as possible, the VFA recommendation



Developing Statewide Policy



Policy Questions Being Addressed

1. What is the proper pool size and the duration of a program to impact the VFA recommendations
2. What is the proper mechanism to determine the allocation for each institution
3. What is the appropriate balance between asset preservation and renovation versus new/expanded space for each institution



Priority #1: Asset Preservation & Renovation



- Combines and balances the capital investment for asset preservation & renovation, addresses the approximately \$4.4 billion investment identified by the 2007 Study by VFA
- Supports flexibility for institutions in 2012-14 to address a portion of the approximately \$1.2 billion of asset preservation & renovation needs identified in their 2012-14 capital plans
- Will enhance teaching and learning environment and reduce building operating costs
- Respects the priorities established by institutions and their boards for this category of capital investment



Priority #2: New/Expanded & Research Facilities



- Balances investment for new/expanded E&G space with the need for research facilities and addresses the approximately \$3.6 billion identified by the 2007 Study by VFA
- Supports flexibility for institutions in 2012-14 to address a portion of the approximately \$2.1 billion of new/expanded & research facilities investment identified in the 2012-14 institution capital plans
- Supports current and future enrollment growth and stimulates increased research and economic development in Kentucky



Priority #3: Information & Technology



- Preliminary Planning Estimate: \$87,816,000
- Projects organized around Common Themes and address statewide needs
 - Network infrastructure upgrades
 - Replacements instructional and administrative systems
- 17 of 19 projects in this category address campus networks and campus infrastructure
- Supports increase of network speeds and systems for elearning
- Based on the criteria 12 of 19 Information Technology projects are designated as high value

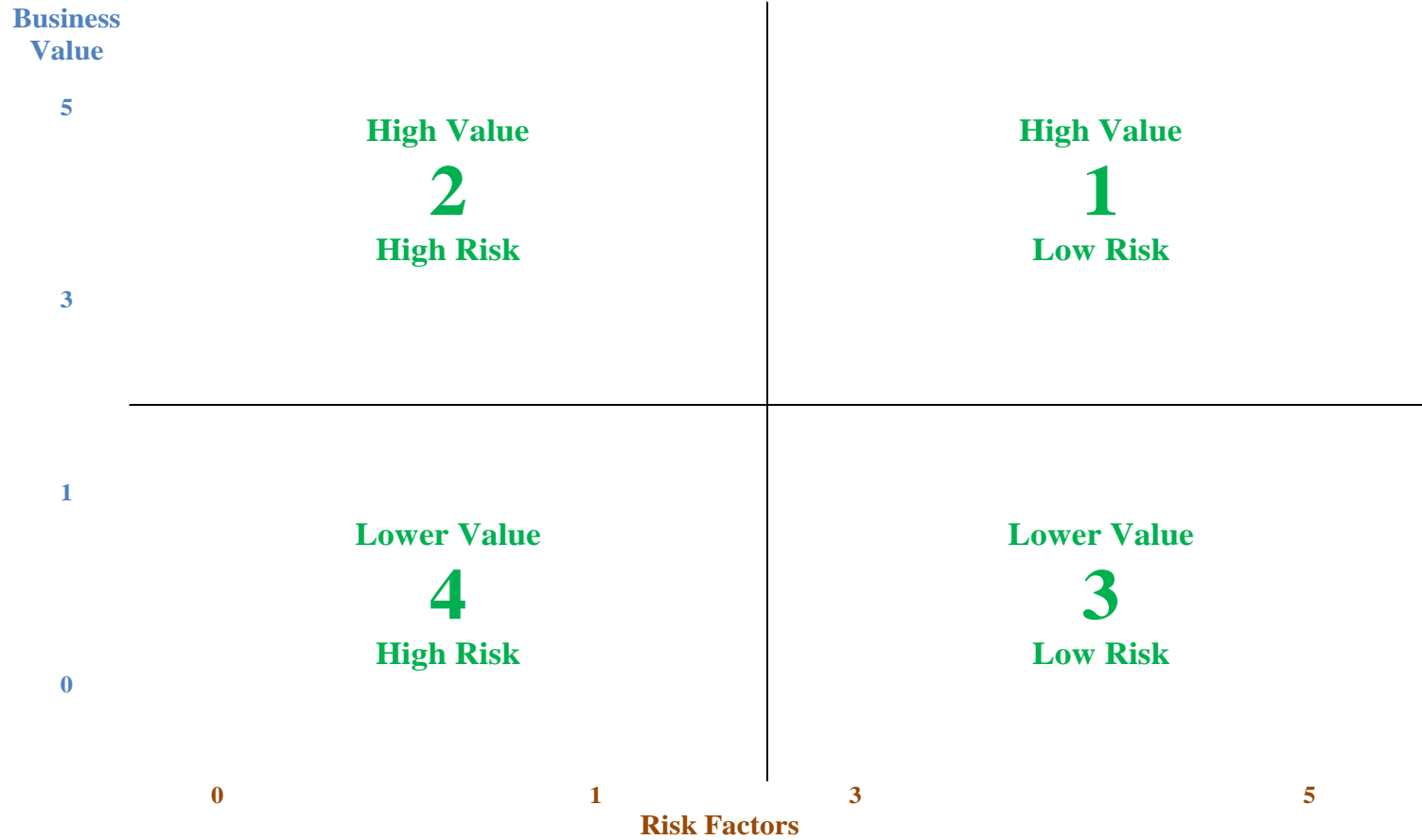


2012-14 IT Project Evaluation



Project Value Ranking

Project value ranking will be determined by relating the Business Value with the Manageability of the proposed project. The total score in each category is divided by the total weighting (30) to derive axis placement.





Next Steps

2012-14 Biennial Budget Process

August / September

- Continue evaluation process to establish the highest priority projects to be included in the 2012-14 capital projects recommendation.

October

- CPE budget discussion with institution presidents regarding operating and capital budget proposals.

November 4

- CPE review and act on 2012-14 proposed operating and capital budget recommendation.

November 15

- CPE submit 2012-14 operating and capital budget recommendation to the Governor and General Assembly.



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QUESTIONS



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